

Background

In accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214(d), the Department received timely requests submitted by Kunj, Micro, Pradeep, and Rollwell (all producers and exporters of flanges) for new shipper reviews of the antidumping duty order on flanges from India. See February 28, 2006, letters from Kunj, Micro, Pradeep, and Rollwell to the Secretary of Commerce requesting new shipper reviews.

Pursuant to 19 CFR 351.214(b), Kunj, Micro, Pradeep, and Rollwell certified that they are both exporters and producers of the subject merchandise, that they did not export subject merchandise to the United States during the period of the investigation (POI) (July 1, 1992 through December 31, 1992), and that since the investigation was initiated, they have not been affiliated with any producer or exporter who exported the subject merchandise to the United States during the POI. They also submitted documentation establishing the date on which they first shipped the subject merchandise to the United States, the volume of those shipments, and the date of their first sales to unaffiliated customers in the United States. They also certified they had no shipments to the United States during the period subsequent to their first shipments.

Initiation of Review

In accordance with section 751(a)(2)(B) of the Act and section 351.214(d) of the Department's regulations, we find that the requests submitted by Kunj, Micro, Pradeep, and Rollwell meet the threshold requirements for initiation of a new shipper review. Accordingly, we are initiating new shipper reviews of the antidumping duty order on flanges from India manufactured and exported by Kunj, Micro, Pradeep, and Rollwell. These reviews cover the period February 1, 2005, through January 31, 2006. We intend to issue the preliminary results of these reviews no later than 180 days after the date on which these reviews are initiated, and the final results within 90 days after the date on which we issue the preliminary results. See section 751(a)(2)(B)(iv) of the Act.

We will instruct U.S. Customs and Border Protection to suspend liquidation of any unliquidated entries of the subject merchandise from Kunj, Micro, Pradeep, and Rollwell, and allow, at the option of the importer, the posting, until completion of the reviews, of a bond or security in lieu of a cash

deposit for each entry of the merchandise produced and exported by Kunj, Micro, Pradeep, and Rollwell in accordance with section 751(a)(2)(B)(iii) of the Act and 19 CFR 351.214(e). Because each of the four companies certified that it both produces and exports the subject merchandise, the sales of which are the basis for these new shipper review requests, we will permit the bonding privilege only for those entries of subject merchandise for which the company is both the manufacturer and the exporter.

Interested parties may submit applications for disclosure under administrative protective order in accordance with 19 CFR 351.305 and 351.306.

This initiation and this notice are issued and published in accordance with section 751(a)(2)(B) of the Act and sections 351.214(d) and 351.221(c)(1)(i) of the Department's regulations.

Dated: March 31, 2006.

Stephen Claeys,

Deputy Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-475-819]

Certain Pasta From Italy: Preliminary Results of the Ninth Countervailing Duty Administrative Review and Notice of Intent To Revoke Order, in Part

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce is conducting an administrative review of the countervailing duty order on certain pasta from Italy for the period January 1, 2004, through December 31, 2004. We preliminarily find that the countervailing duty rates during the period of review for all of the producers/exporters under review are either zero or *de minimis*. See the "Preliminary Results of Review" section, below. We are also preliminarily revoking the order with respect to Pasta Lensi S.r.l., in accordance with section 751(d)(1) of the Tariff Act of 1930, as amended ("the Act"), and 19 CFR 351.222(c)(3). See the "Partial Revocation" section, below. Interested parties are invited to comment on these preliminary results (see the "Public Comment" section of this notice).

DATES: Effective Date: April 6, 2006.

FOR FURTHER INFORMATION CONTACT:

Audrey Twyman or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3534 and (202) 482-0182, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 24, 1996, the Department of Commerce ("the Department") published a countervailing duty order on certain pasta ("pasta" or "subject merchandise") from Italy. See *Notice of Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination: Certain Pasta From Italy*, 61 FR 38544 (July 24, 1996). On July 1, 2005, the Department published a notice of "Opportunity to Request Administrative Review" of this countervailing duty order for calendar year 2004, the period of review ("POR"). See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 70 FR 38099 (July 1, 2005). On July 28, 2005, we received a request for review from Pastificio Laporta S.a.s ("Laporta"). On July 29, 2005, we received requests for reviews from the following four producers/exporters of subject merchandise: Pastificio Antonio Pallante S.r.l. ("Pallante"), Corticella Molini e Pastifici S.p.a. ("Corticella")/Pasta Combattenti S.p.a. ("Combattenti") (collectively, "Corticella/Combattenti"), Atar S.r.l. ("Atar"), and Moline e Pastificio Tomasello S.r.l. ("Tomasello"). On August 1, 2005, we received a request for review and a request for revocation from Pasta Lensi S.r.l. ("Pasta Lensi").¹ (See the "Partial Revocation" section, below.) In accordance with 19 CFR 351.221(c)(1)(i), we published a notice of initiation of the review on August 29, 2005. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 70 FR 51009 (August 29, 2005).

On August 31, 2005, we issued countervailing duty questionnaires to the Commission of the European Union, the Government of Italy ("GOI"), Pallante, Corticella/Combattenti, Pasta Lensi, Tomasello, Laporta, and Atar. We received all responses to our questionnaire in October 2005. We issued supplemental questionnaires to

¹ Pasta Lensi is the successor-in-interest to IAPC Italia S.r.l. See *Notice of Final Results of Antidumping and Countervailing Duty Changed Circumstances Reviews: Certain Pasta from Italy*, 68 FR 41553 (July 14, 2003).

the respondents in November 2005, and we received responses to our supplemental questionnaires in November and December 2005.

On September 15, 2005, Laporta withdrew its request for review. On September 29, 2005, Tomasello withdrew its request for review. On October 25, 2005, Pallante withdrew its request for review. As discussed in the "Partial Rescission" section, below, we have rescinded this administrative review for Laporta, Tomasello, and Pallante.

Period of Review

The period for which we are measuring subsidies, or POR, is January 1, 2004, through December 31, 2004.

Scope of the Order

Imports covered by the order are shipments of certain non-egg dry pasta in packages of five pounds four ounces or less, whether or not enriched or fortified or containing milk or other optional ingredients such as chopped vegetables, vegetable purees, milk, gluten, diastasis, vitamins, coloring and flavorings, and up to two percent egg white. The pasta covered by this scope is typically sold in the retail market, in fiberboard or cardboard cartons, or polyethylene or polypropylene bags of varying dimensions.

Excluded from the scope of the order are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white. Also excluded are imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by the Istituto Mediterraneo Di Certificazione, Bioagricoop S.r.l., QC&I International Services, Ecocert Italia, Consorzio per il Controllo dei Prodotti Biologici, Associazione Italiana per l'Agricoltura Biologica, or Codex S.r.l. In addition, based on publicly available information, the Department has determined that, as of August 4, 2004, imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by Bioagricert S.r.l. are also excluded from this order. See memorandum from Eric B. Greynolds to Melissa G. Skinner, dated August 4, 2004, which is on file in the Department's Central Records Unit ("CRU") in Room B-099 of the main Department building. In addition, based on publicly available information, the Department has determined that, as of March 13, 2003, imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by Istituto per la Certificazione Etica e Ambientale (ICEA) are also excluded from this order. See memorandum from

Audrey Twyman to Susan Kuhbach, dated February 28, 2006, entitled "Recognition of Istituto per la Certificazione Etica e Ambientale (ICEA) as a Public Authority for Certifying Organic Pasta from Italy" which is on file in the Department's Central Records Unit ("CRU") in Room B-099 of the main Department building.

The merchandise subject to review is currently classifiable under items 1901.90.9095 and 1902.19.20 of the *Harmonized Tariff Schedule of the United States* ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to the order is dispositive.

Scope Rulings

The Department has issued the following scope rulings to date:

(1) On August 25, 1997, the Department issued a scope ruling that multicolored pasta, imported in kitchen display bottles of decorative glass that are sealed with cork or paraffin and bound with raffia, is excluded from the scope of the antidumping and countervailing duty orders. See Memorandum from Edward Easton to Richard Moreland, dated August 25, 1997, which is on file in the CRU.

(2) On July 30, 1998, the Department issued a scope ruling finding that multipacks consisting of six one-pound packages of pasta that are shrink-wrapped into a single package are within the scope of the antidumping and countervailing duty orders. See Letter from Susan H. Kuhbach to Barbara P. Sidari, dated July 30, 1998, which is available in the CRU.

(3) On October 23, 1997, the petitioners filed an application requesting that the Department initiate an anti-circumvention investigation of Barilla S.r.l. ("Barilla"), an Italian producer and exporter of pasta. The Department initiated the investigation on December 8, 1997. See *Initiation of Anti-Circumvention Inquiry on Antidumping Duty Order on Certain Pasta From Italy*, 62 FR 65673 (December 15, 1997). On October 5, 1998, the Department issued its final determination that, pursuant to section 781(a) of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act ("URAA") effective January 1, 1995 ("the Act"), circumvention of the antidumping order on pasta from Italy was occurring by reason of exports of bulk pasta from Italy produced by Barilla which subsequently were repackaged in the United States into packages of five pounds or less for sale in the United States. See *Anti-Circumvention Inquiry*

of the Antidumping Duty Order on Certain Pasta from Italy: Affirmative Final Determination of Circumvention of the Antidumping Duty Order, 63 FR 54672 (October 13, 1998).

(4) On October 26, 1998, the Department self-initiated a scope inquiry to determine whether a package weighing over five pounds as a result of allowable industry tolerances is within the scope of the antidumping and countervailing duty orders. On May 24, 1999, we issued a final scope ruling finding that, effective October 26, 1998, pasta in packages weighing or labeled up to (and including) five pounds four ounces is within the scope of the antidumping and countervailing duty orders. See Memorandum from John Brinkmann to Richard Moreland, dated May 24, 1999, which is available in the CRU.

(5) On April 27, 2000, the Department self-initiated an anti-circumvention inquiry to determine whether Pastificio Fratelli Pagani S.p.A.'s importation of pasta in bulk and subsequent repackaging in the United States into packages of five pounds or less constitutes circumvention with respect to the antidumping and countervailing duty orders on pasta from Italy pursuant to section 781(a) of the Act and 19 CFR 351.225(b). See *Certain Pasta from Italy: Notice of Initiation of Anti-Circumvention Inquiry of the Antidumping and Countervailing Duty Orders*, 65 FR 26179 (May 5, 2000). On September 19, 2003, we published an affirmative finding of the anti-circumvention inquiry. See *Anti-Circumvention Inquiry of the Antidumping and Countervailing Duty Orders on Certain Pasta from Italy: Affirmative Final Determinations of Circumvention of Antidumping and Countervailing Duty Orders*, 68 FR 54888 (September 19, 2003).

Partial Revocation

On August 1, 2005, Pasta Lenzi requested revocation of the countervailing duty order as it pertains to its sales. Under section 751(d)(1) of the Act, the Department "may revoke, in whole or in part" a countervailing duty order upon completion of a review. Although Congress has not specified the procedures that the Department must follow in revoking an order, the Department has developed a procedure for revocation that is set forth under 19 CFR 351.222. Under 19 CFR 351.222(c)(3)(i), in determining whether to revoke a countervailing duty order in part, the Secretary will consider: (1) Whether one or more exporters or producers covered by the order have not applied for or received any net

countervailable subsidy on the subject merchandise for a period of at least five consecutive years; (2) whether, for any exporter or producer that the Secretary previously has determined to have received any net countervailable subsidy on the subject merchandise, the exporter or producer agrees in writing to their immediate reinstatement in the order, if the Secretary concludes that the exporter or producer, subsequent to the revocation, has received any net countervailable subsidy on the subject merchandise; and (3) whether the continued application of the countervailing duty order is otherwise necessary to offset subsidization.

A request for revocation of an order in part must address these four elements, per 19 CFR 351.222(e)(2)(iii). The company requesting the revocation must do so in writing and submit the following statements with the request: (1) The company's certification that it has not applied for or received any net countervailable subsidy on the subject merchandise for a period of at least five consecutive years; (2) the company's certification that it will not apply for or receive any net countervailable subsidy on the subject merchandise from any program the Secretary has found countervailable; (3) the company's certification that during each of the consecutive years, the company sold the subject merchandise to the United States in commercial quantities; and (4) the company's agreement in writing to their immediate reinstatement in the order, if the Secretary concludes that the exporter or producer, subsequent to the revocation, has received any net countervailable subsidy on the subject merchandise.

We preliminarily find that the request from Pasta Lensi meets all of the criteria under 19 CFR 351.222. Pasta Lensi's revocation request includes the necessary certifications in accordance with 19 CFR 351.222(e)(2)(iii). With regard to the criteria of 19 CFR 351.222(e)(2)(iii)(A), our preliminary results show that Pasta Lensi did not receive countervailable subsidies during the POR and, therefore, the net subsidy rate for Pasta Lensi is zero. See "Preliminary Results of Review" section, below. In addition, Pasta Lensi had zero net subsidy rates in the four previous administrative reviews in which it was involved. See *Certain Pasta from Italy: Final Results of the Eighth Countervailing Duty Administrative Review*, 70 FR 37084 (June 28, 2005), covering the period January 1, 2003, through December 31, 2003; *Certain Pasta from Italy: Final Results of the Seventh Countervailing Duty Administrative Review*, 69 FR

70657 (December 7, 2004), covering the period January 1, 2002, through December 31, 2002; *Certain Pasta from Italy: Final Results of the Sixth Countervailing Duty Administrative Review*, 68 FR 48599 (August 14, 2003), covering the period January 1, 2001, through December 31, 2001; and *Certain Pasta from Italy: Final Results of the Fifth Countervailing Duty Administrative Review*, 67 FR 52452 (August 12, 2002), covering the period January 1, 2000, through December 31, 2000.

Based on our examination of the data submitted by Pasta Lensi, we preliminarily find that Pasta Lensi qualifies for revocation of the order pursuant to 19 CFR 351.222(c)(3) and 351.222(e)(2)(iii). We also preliminarily find that the order with respect to merchandise produced and exported by Pasta Lensi should be revoked. If these preliminary findings are affirmed in our final results, we will revoke the order, in part, with respect to pasta from Italy produced and exported by Pasta Lensi. In accordance with 19 CFR 351.222(f)(3), we will terminate the suspension of liquidation for pasta produced and exported by Pasta Lensi that was entered, or withdrawn from warehouse, for consumption on or after January 1, 2005, and will instruct U.S. Customs and Border Protection ("CBP") to refund any cash deposits for such entries.

Partial Rescission

The Department's regulations at 19 CFR 351.213(d)(1) provide that the Department will rescind an administrative review, in whole or in part, if a party that requested a review withdraws the request within 90 days of the date of publication of the notice of initiation of the requested review. On September 15, 2005, Laporta withdrew its request for review. On September 29, 2005, Tomasello withdrew its request for review. On October 25, 2005, Pallante withdrew its request for review. All parties submitted their withdrawal requests within the 90-day deadline. No other party requested a review of Pallante's, Laporta's, or Tomasello's sales.

Therefore, because these withdrawal requests were timely filed, and because no other interested party requested that they be reviewed, we rescinded this review with respect to Pallante, Tomasello, and Laporta in accordance with 19 CFR 351.213(d)(1). See *Certain Pasta from Italy: Notice of Partial Rescission of Countervailing Duty Administrative Review*, 70 FR 59723 (October 13, 2005); *Certain Pasta from Italy: Notice of Partial Rescission of*

Countervailing Duty Administrative Review, 70 FR 61788 (October 26, 2005); and *Certain Pasta from Italy: Notice of Partial Rescission of Countervailing Duty Administrative Review*, 70 FR 69515 (November 16, 2005).

We have instructed CBP to liquidate any entries from Pallante, Laporta, and Tomasello during the POR and to assess countervailing duties at the rate that was applied at the time of entry.

Subsidies Valuation Information

Allocation Period

Pursuant to 19 CFR 351.524(b), non-recurring subsidies are allocated over a period corresponding to the AUL of the renewable physical assets used to produce the subject merchandise. The Department's regulations create a rebuttable presumption that the AUL will be taken from the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System ("IRS Tables"). See 19 CFR 351.524(d)(2). For pasta, the IRS Tables prescribe an AUL of 12 years. None of the responding companies or interested parties objected to this allocation period. Therefore, we have used the 12-year allocation period for all respondents.

Attribution of Subsidies

Pursuant to 19 CFR 351.525(b)(6), the Department will attribute subsidies received by certain companies to the combined sales of those companies. Based on our review of the responses, we preliminarily find that "cross-ownership" exists with respect to certain companies, as described below, and we have attributed subsidies accordingly:

Pasta Lensi: Pasta Lensi is an Italian producer and exporter of pasta. As further discussed in the April 3, 2006, proprietary memorandum entitled "Pasta Lensi S.r.l.—Attribution Issues," which is on file in the Department's CRU, Pasta Lensi has reported that IAPC Leasing S.r.l., another company owned by the parent company of Pasta Lensi, did not receive any benefits under the programs being examined. Therefore, there are no benefits to this company that require attribution. Moreover, IAPC Leasing S.r.l. does not produce subject merchandise. Thus, we are attributing any subsidies received to Pasta Lensi's sales only.

Corticella/Combattenti: Corticella/Combattenti is an Italian producer and exporter of pasta. As further discussed in the April 3, 2006, memorandum entitled "Attribution Issues: Corticella Molini e Pastifici S.p.a. and Pasta Combattenti S.p.a.," which is on file in the Department's CRU, Corticella/

Combattenti has reported that affiliates Certosa, CLC, and the parent company Euricom, did not receive any benefits under the programs being examined. Therefore, there are no benefits to these companies that require attribution. Thus, we are attributing any subsidies received to the combined sales of Corticella and Combattenti.

Atar: Atar has reported that it has no affiliates or cross-ownership. Thus, we are attributing any subsidies received to Atar's sales only.

Discount Rates

Pursuant to 19 CFR 351.524(d)(3)(i)(B), we used the national average cost of long-term, fixed-rate loans as a discount rate for allocating non-recurring benefits over time because no company for which we need such discount rates took out any loans in the years in which the government agreed to provide the subsidies in question. Consistent with past practice in this proceeding, for years prior to 1995, we used the Bank of Italy reference rate adjusted upward to reflect the mark-up an Italian commercial bank would charge a corporate customer. *See, e.g., Certain Pasta from Italy: Preliminary Results and Partial Recision of the Eighth Countervailing Duty Administrative Review*, 70 FR 17971 (April 8, 2005) (decision unchanged in the final results, *Certain Pasta from Italy: Final Results of the Eighth Countervailing Duty Administrative Review*, 70 FR 37084 (June 28, 2005)). For benefits received in 1995 and later, we used the Italian Bankers' Association interest rate, increased by the average spread charged by banks on loans to commercial customers plus an amount for bank charges. *See Memorandum the File, "Calculations for the Preliminary Results for Corticella Molini e Pastifici S.p.a. and Pasta Combattenti S.p.a."* (April 3, 2006) ("*Corticella/Combattenti Calculation Memorandum*")

Analysis of Programs

I. Program Preliminarily Determined to be Countervailable

A. Export Marketing Grants Under Law 304/90

Under Law 304/90, the GOI provided grants to promote the sale of Italian food and agricultural products in foreign markets. The grants were given for pilot projects aimed at developing links and integrating marketing efforts between Italian food producers and foreign distributors. The emphasis was on assisting small and medium-sized enterprises.

Corticella received a grant under this program in 1993 to assist it in

establishing a sales office and network in the United States. No other respondent covered by this review received benefits under this program during the POR.

In the *Final Affirmative Countervailing Duty Determination: Certain Pasta from Italy*, 61 FR 30288 (June 14, 1996) ("*Pasta Investigation*"), the Department determined that these export marketing grants confer a countervailable subsidy within the meaning of section 771(5) of the Act. They are a direct transfer of funds from the GOI bestowing a benefit in the amount of the grant. *See* Sections 771(5)(D)(i) and (E) of the Act. Also, these grants were found to be specific within the meaning of section 771(5A)(B) of the Act because their receipt was contingent upon export performance. In this review, neither the GOI nor the responding companies have provided new information that would warrant reconsideration of our determination that these grants confer a countervailable subsidy.

Also in the *Pasta Investigation*, the Department treated these export marketing grants as non-recurring. No new information has been placed on the record of this review that would cause us to depart from this treatment.

Because the amount of the grant that was approved by the GOI exceeded 0.5 percent of Corticella's exports to the United States in the year of approval, we used the grant methodology described in 19 CFR 351.524(d) to allocate the benefit over the AUL. We divided the benefit attributable to the POR by the value of the companies' total exports to the United States in the POR.

On this basis, we preliminarily determine the countervailable subsidy from these Law 304/90 export marketing grants to be 0.12 percent ad valorem for Corticella/Combattenti. *See the Corticella/Combattenti Calculation Memorandum.*

B. Social Security Reductions and Exemptions—Sgravi (Article 44 of Law 448/01)

Italian law allows companies, particularly those located in the *Mezzogiorno* region (southern Italy), to use a variety of exemptions from and reductions (sgravi) of payroll contributions that employers make to the Italian social security system for health care benefits, pensions, etc. The sgravi benefits are regulated by a complex set of laws and regulations, and are sometimes linked to conditions such as creating more jobs. We have found in past segments of this proceeding that the benefits under some of these laws (e.g., Laws 183/76 and

449/97) are available only to companies located in the *Mezzogiorno* and other disadvantaged regions. Other laws (e.g., Laws 407/90 and 863/84) provide benefits to companies all over Italy, but the level of benefits is higher for companies in the south than for companies in other parts of the country.

The law identified as having provided countervailable sgravi benefits during the POR is the following: Article 44 of Law 448/01.

In the instant review, no party in this proceeding challenged our past determinations in the *Pasta Investigation* and subsequent reviews that sgravi benefits were countervailable for companies located within the *Mezzogiorno* region. Additionally, no new information or evidence of changed circumstances was received that would warrant reconsideration of these past determinations.

Article 44 of Law 448/01 is provided to encourage employment in the *Mezzogiorno* region by reducing the amount of the portion of social security contributions paid by the employer on behalf of the employee. Effectively, the government undertakes to pay a portion of the social security amount on behalf of the employer. This benefit is provided for three years after the hire of a new employee in the *Mezzogiorno* region. To receive the benefit, companies must increase their number of employees from that in existence as of December 31, 2001. This program was terminated on January 1, 2003. Atar is located in the *Mezzogiorno* region and made use of this program.

We find that this program confers a countervailable subsidy because the GOI has foregone tax revenues that are otherwise due pursuant to section 771(5)(D)(ii) of the Act, which provided a benefit to Atar in the amount of the revenue forgone, pursuant to section 771(5)(E) of the Act. This program is specific within the meaning of section 771(5A)(D)(iv) of the Act because the program is limited to the *Mezzogiorno* region of Italy. On this basis, we preliminarily determine the countervailable subsidy from Article 44 of Law 448/01 to be 0.20 percent ad valorem for Atar. *See Memorandum the File, "Calculations for the Preliminary Results for Atar S.r.l."* (April 3, 2006).

II. Programs Preliminarily Determined To Be Not Countervailable

A. Social Security Reductions and Exemptions—Sgravi (Law 407/90, Law 223/91, Law 337/90, and Article 120 of Law 388/00)

Other various laws identified as having also provided sgravi benefits

during the POR are the following: Law 407/90 (Pasta Lensi), Law 223/91 (Pasta Lensi and Combattenti), Law 337/90 (Corticella), and Article 120 of Law 388/00 (Pasta Lensi, Corticella, Combattenti, and Atar).

In the instant review, no party in this proceeding challenged our past determinations in the *Pasta Investigation* and subsequent reviews that sgravi benefits were not countervailable for companies located outside of the *Mezzogiorno* region because the program was generally available throughout Italy at a lower rate and therefore, not specific within the meaning of section 771(5A) of the Act. Moreover, under such circumstances, there is no benefit under 19 CFR 351.503(d)(1). Additionally, no new information or evidence of changed circumstances was received that would warrant reconsideration of our past determinations. Therefore, because Pasta Lensi and Corticella/Combattenti are not located in the *Mezzogiorno* region, we preliminarily find that these companies did not receive countervailable subsidies under Law 407/90, Law 223/91, and Law 337/90 during the POR.

Unlike these other sgravi programs, Article 120 of Law 388/00 (fiscalizzazione program) is a nationwide sgravi program that provides an equivalent level of deductions throughout Italy and is not specific to the *Mezzogiorno* region or to the pasta industry pursuant to section 771(5A) of the Act. Article 120 of Law 388/00 provides a deduction of certain social security payments related to health care or insurance. The government takes over a minimal amount of the payments for social contributions which are owed to the Istituto Nazionale Previdenza Sociale ("INPS"). Therefore, we preliminarily find that Article 120 of Law 388/00 is not a countervailable subsidy because the subsidy is not specific. Accordingly, we determine that Atar, Pasta Lensi, and Corticella/Combattenti did not receive countervailable subsidies under this program during the POR.

B. Brescia Chamber of Commerce Fairs and Exhibition Grants

The Brescia Chamber of Commerce provided grants to small and medium-sized enterprises, artisan and agricultural enterprises, and pools and cooperatives in the province of Brescia for their direct participation in fairs and exhibitions abroad during calendar year 2004.

Pasta Lensi was the only respondent in this proceeding that reported receiving grants from the Brescia

Chamber of Commerce. Specifically, Pasta Lensi reported receiving a grant in 2004 for a fair in Germany. However, because there is no indication that the Brescia Chamber of Commerce constitutes a "public entity" under section 771(5)(B)(iii) of the Act, or that the Brescia Chamber of Commerce was entrusted or directed by the GOI to provide the grant, we preliminarily determine that this grant does not confer a countervailable subsidy.

C. Tremonti Law 383/01 (Formerly Law 357/94 and 489/94)

Tremonti Law 383/01 allowed for a deduction from taxable income of 50 percent of the difference between investments in new plant and equipment and the average investment rate for the preceding five years. Pasta Lensi has stated that one of its affiliates, IAPC Leasing, claimed a deduction for tax benefits under this law on its 2003 tax return but that no benefits were received in the POR because IAPC Leasing was in a tax loss position. Regardless of whether there was a benefit during the POR, we find that there is no evidence on the record that indicates that any subsidies under this program are specific pursuant to section 771(5A) of the Act. Therefore, we preliminarily determine that this program did not confer a countervailable subsidy.

III. Programs Preliminarily Determined To Not Be Used

We examined the following programs and preliminarily determine that the producers and/or exporters of the subject merchandise under review did not apply for or receive benefits under these programs during the POR:

- A. *Industrial Development Grants Under Law 488/92*
- B. *Industrial Development Loans Under Law 64/86*
- C. *European Regional Development Fund Grants*
- D. *Law 236/93 Training Grants*
- E. *Law 1329/65 Interest Contributions (Sabatini Law) (Formerly Lump-Sum Interest Payment Under the Sabatini Law for Companies in Southern Italy)*
- F. *Development Grants Under Law 30 of 1984*
- G. *Law 908/55 Fondo di Rotazione Iniziative Economiche (Revolving Fund for Economic Initiatives) Loans*
- H. *Industrial Development Grants Under Law 64/86*
- I. *Law 317/91 Benefits for Innovative Investments*
- J. *Brescia Chamber of Commerce Training Grants*
- K. *Ministerial Decree 87/02*

- L. *Law 10/91 Grants to Fund Energy Conservation*
- M. *Export Restitution Payments*
- N. *Export Credits Under Law 227/77*
- O. *Capital Grants Under Law 675/77*
- P. *Retraining Grants Under Law 675/77*
- Q. *Interest Contributions on Bank Loans Under Law 675/77*
- R. *Preferential Financing for Export Promotion Under Law 394/81*
- S. *Urban Redevelopment Under Law 181*
- T. *Industrial Development Grants under Law 183/76*
- U. *Interest Subsidies Under Law 598/94*
- V. *Duty-Free Import Rights*
- W. *European Social Fund Grants*
- X. *Law 113/86 Training Grants*
- Y. *European Agricultural Guidance and Guarantee Fund*
- Z. *Law 341/95 Interest Contributions on Debt Consolidation Loans (Formerly Debt Consolidation Law 341/95)*
- AA. *Interest Grants Financed by IRI Bonds*
- BB. *Grant Received Pursuant to the Community Initiative Concerning the Preparation of Enterprises for the Single Market (PRISMA)*

IV. Programs Preliminarily Determined To Have Been Terminated

We examined the following programs at verification and preliminarily determine they have been terminated prior to the POR and that there will be no remaining subsidy benefits from these programs after this POR.

- A. *Regional Tax Exemptions Under IRAP*
- B. *VAT Reductions Under Laws 64/86 and 675/55*
- C. *Corporate Income Tax (IRPEG) Exemptions*
- D. *Remission of Taxes on Export Credit Insurance Under Article 33 of Law 227/77*
- E. *Export Marketing Grants Under Law 304/90*
- F. *Tremonti Law 383/01*

Verification

In accordance with 19 CFR 351.222(f)(2)(ii) and 351.307(b)(1)(iii), we verified information submitted by the GOI for Pasta Lensi, Atar, Corticella, and Combattenti in Rome, Italy on February 13–15, 2006. See "Verification of the Questionnaire Responses of the Government of Italy in the 9th Administrative Review," dated March 31, 2006. We verified information submitted by Pasta Lensi in Verolanuova, Italy on February 17 and 20, 2006. See "Verification of the Questionnaire Responses of Pasta Lensi S.r.l. in the 9th Administrative Review," dated March 31, 2006.

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for Atar and Corticella/Molteni. Pasta Lensi had no countervailable subsidies. For the period January 1, 2004, through December 31, 2004, we preliminarily find the net subsidy rates for the producers/exporters under review to be those specified in the chart shown below:

Producer/exporter	Net subsidy rate
Pasta Lensi S.r.l.	0.00 percent.
Corticella Molini e Pastifici S.p.a./ Pasta Combattenti S.p.a.	0.12 percent (<i>de minimis</i>).
Atar S.r.l.	0.20 percent (<i>de minimis</i>).

If the final results of this review remain the same as these preliminary results, because the countervailing duty rates for all of the above-noted companies are less than 0.5 percent and, consequently are either zero or *de minimis*, we will instruct CBP to liquidate entries during the period January 1, 2004, through December 31, 2004, without regard to countervailing duties in accordance with 19 CFR 351.106(c)(1). The Department will issue appropriate instructions directly to CBP within 15 days of publication of these final results of this review.

For all other companies that were not reviewed (except Barilla G. e R. F.lli S.p.A. and Gruppo Agricoltura Sana S.r.l., which are excluded from the order), the Department has directed CBP to assess countervailing duties on all entries between January 1, 2004, and December 31, 2004, at the rates in effect at the time of entry.

The Department also intends to instruct CBP to collect cash deposits of estimated countervailing duties. For the companies noted above (except Pasta Lensi) the cash deposit rate is zero because each company's rate is *de minimis*. If the revocation in part becomes final for Pasta Lensi, suspension of liquidation will cease and, consequently, no duties will be collected.

For all non-reviewed firms (except Barilla G. e R. F.lli S.p.A. and Gruppo Agricoltura Sana S.r.l., which are excluded from the order), we will instruct CBP to collect cash deposits of estimated countervailing duties at the most recent company-specific or "all others" rate applicable to the company. These rates shall apply to all non-reviewed companies until a review of a

company assigned these rates is requested.

Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of the public announcement of this notice.

Pursuant to 19 CFR 351.309(c)(ii), interested parties may submit written arguments in case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than five days after the date of filing the case briefs, in accordance with 19 CFR 351.309(d). Parties who submit briefs in this proceeding should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

Interested parties may request a hearing within 30 days after the date of publication of this notice, pursuant to 19 CFR 351.310(c). Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs.

The Department will publish a notice of the final results of this administrative review within 120 days from the publication of these preliminary results, in accordance with section 751(a)(3) of the Act.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: March 31, 2006.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E6-5031 Filed 4-5-06; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-502]

Notice of Preliminary Results of Countervailing Duty Administrative Review: Certain Welded Carbon Steel Standard Pipe from Turkey

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the countervailing duty ("CVD") order on

certain welded carbon steel standard pipe from Turkey for the period January 1, 2004, through December 31, 2004. For information on the net subsidy rate for the reviewed company, see the "Preliminary Results of Review" section, *infra*. If the final results remain the same as the preliminary results of this review, we will instruct U.S. Customs and Border Protection ("CBP") to assess countervailing duties as detailed in the "Preliminary Results of Review" section, *infra*. Interested parties are invited to comment on these preliminary results. (See the "Public Comment" section, *infra*).

EFFECTIVE DATE: April 6, 2006.

FOR FURTHER INFORMATION CONTACT:

Kristen Johnson, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 4014, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4793.

SUPPLEMENTARY INFORMATION:

Background

On March 7, 1986, the Department published in the **Federal Register** the CVD order on certain welded carbon steel pipe and tube products from Turkey. See *Countervailing Duty Order: Certain Welded Carbon Steel Pipe and Tube Products from Turkey*, 51 FR 7984 (March 7, 1986) ("Turkey Pipe Order"). On March 1, 2005, the Department published a notice of opportunity to request an administrative review of this CVD order. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 70 FR 9918 (March 1, 2005). On March 31, 2005, we received a timely request for review from the Borusan Group ("Borusan"), a Turkish producer and exporter of subject merchandise. On April 22, 2005, the Department initiated an administrative review of the CVD order on certain welded carbon steel standard pipe from Turkey, covering the period January 1, 2004, through December 31, 2004. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 70 FR 20862 (April 22, 2005).

On June 13, 2005, the Department issued a questionnaire to Borusan and the Government of the Republic of Turkey ("GOT"); we received their questionnaire responses on August 22, 2005. On October 26, 2005, we issued supplemental questionnaires to Borusan and the GOT. We received the supplemental questionnaire response from Borusan on November 25, 2005,